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THE SILVER MARKET
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75th Annual Review compiled by **Handy & Harman**

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Highlights of The Silver Market 1990

During this past year, not only did the price of silver continue its downward trend, it also dropped to a 15-year record low of $3.93. The silver price has not seen these levels since 1976. A price of $3.93 in 1990 is equivalent to $1.97 in 1976 when adjusted for inflation. So in real terms, 1990 recorded one of the very low prices in the history of silver.

Aside from a brief rally following Saddam Hussein's invasion of Kuwait, prices declined throughout the year. This down trend clearly accelerated in October when prices dropped almost 12% in one month. As prices declined, investment demand seemed to have evaporated causing further declines. After stabilizing at the $4.20 level during November, prices dropped below the $4.00 mark to hit a low of $3.93 during December.

As mentioned above, investment demand appeared to have dried up during 1990. Silver prices seemed affected only by industrial demand and continued output of mines. Primarily a by-product metal, silver production continues at high levels despite an abundant supply.

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Review of The Silver Market for 1990

Silver began trading in 1990 at $5.21 and hit the year's peak of $5.39 on February 7th. Then it declined to a low of $4.77 on June 26th and rebounded to a high of $5.22 on August 14th after Iraq invaded Kuwait. From then on, silver prices became very weak. Silver dropped almost $.70 during the month of October to an inter-month low of $4.10 from $4.78 at the end of September. Subsequently, it sold as low as $3.93, a 15-year record low, on Dec. 18. Year-end purchases caused silver to rebound and it closed the year at $4.175. The year-to-year decline amounted to 19.4%.

The peak to trough range was $1.46 or 28% of the opening price. Aside from a brief rally following the invasion of Kuwait, silver did not show much of its past precious metals behavior. Its price appears to reflect only industrial demand. Since new production and accumulated stocks are readily available to meet all requirements, there is little hoarding of silver.

Review of the World Market

Annual total output of silver depends to a certain extent on the production of other minerals such as copper, gold, lead and zinc. It is our understanding that only 41% of silver comes from strictly "silver" mines. Copper mines contribute approximately 29% of silver's annual production and gold mines 19%. Approximately 5.5% of silver comes from lead and zinc mines and the remainder comes from gold/silver mines.

Though silver is in excess supply now, this supply does not adjust immediately to a decline in price. A large portion of silver will continue to be produced irrespective of price. Currently, this is especially true since copper demand exceeds supply and copper production capacity is being expanded around the world. Similarly, zinc is also in tight supply and this too, may induce higher production of zinc and, therefore, silver.

World mine production in 1990 increased slightly to 476.5 million ounces from the revised figure of 473.5 million ounces in 1989. This revision in total production reflects mainly a revision of Mexican mine production figures from 74.2 million ounces to 65.3 million ounces in 1989. Increased Australian mine production offset some of the decline in 1990. Australian mine output is estimated to be 40.7 million ounces in 1990 versus 34.6 million ounces in 1989.

Secondary recovery of old scrap declined 4.2 million ounces or 3.9% to 103.1 million ounces as compared to a revised figure of 107.3 million ounces. This decline reflects the reduction in the United States.

The total supply of silver from both mine production and recycling of old scrap showed a decrease of .3% in 1990. Total

production is estimated to have declined 1.6 million ounces from 580.8 million ounces in 1989 to 579.2 million ounces during 1990.

World industrial consumption continues to increase as a result of industrialization. Industrial consumption during 1990 rose slightly to 544.7 million ounces from 543.0 million ounces in 1989. This slow rate of increase reflects the slowdown in the U.S. and Japanese economies. Germany, with the industrialization of East Germany, increased its industrial consumption of silver by approximately 10% during 1990. India appears to be using more silver also, while the U.S.S.R. and other Eastern European countries are estimated to have decreased their usage due to difficulties in transforming their economies to a free-market basis.

Demand for coinage appears to have declined considerably in 1990. We estimate that 25.5 million ounces of silver were used for coinage in 1990 compared to 34.8 million ounces in 1989. Japan is the only country that is increasing its demand for silver coins.

Total uses of silver, industrial consumption and coinage, showed a decrease of 1.3% during 1990. This is a decrease of 7.6 million ounces from 577.8 million ounces in 1989 to 570.2 million ounces in 1990.

Total worldwide production of silver exceeded consumption by 9.0 million ounces in 1990. In 1989 production also exceeded consumption by 3.1 million ounces. Therefore, worldwide stock continue to increase. The total worldwide stock of silver at the end of 1990 is estimated to be 1,549.7 million ounces.

While total worldwide stock remained stable, silver holdings by different institutions and groups continue to change. Governments, primarily the U.S. and Mexico, continued to liquidate much of their stock. The U.S. government was a net supplier of silver to the extent of approximately 11 million ounces in 1990. Mexico reduced its stock another 7.7 million ounces in 1990 following a reduction of 20.1 million ounces in 1989.

The excess supply of silver is showing up in COMEX stock. COMEX stock increased another 26.5 million ounces in 1990 following an increase of 64.4 million ounces in 1989. Private investment stock appear to have declined by 16.2 million ounces in 1990. This is a continuation of the disinvestment trend since 1988.

SILVER IN THE UNITED STATES

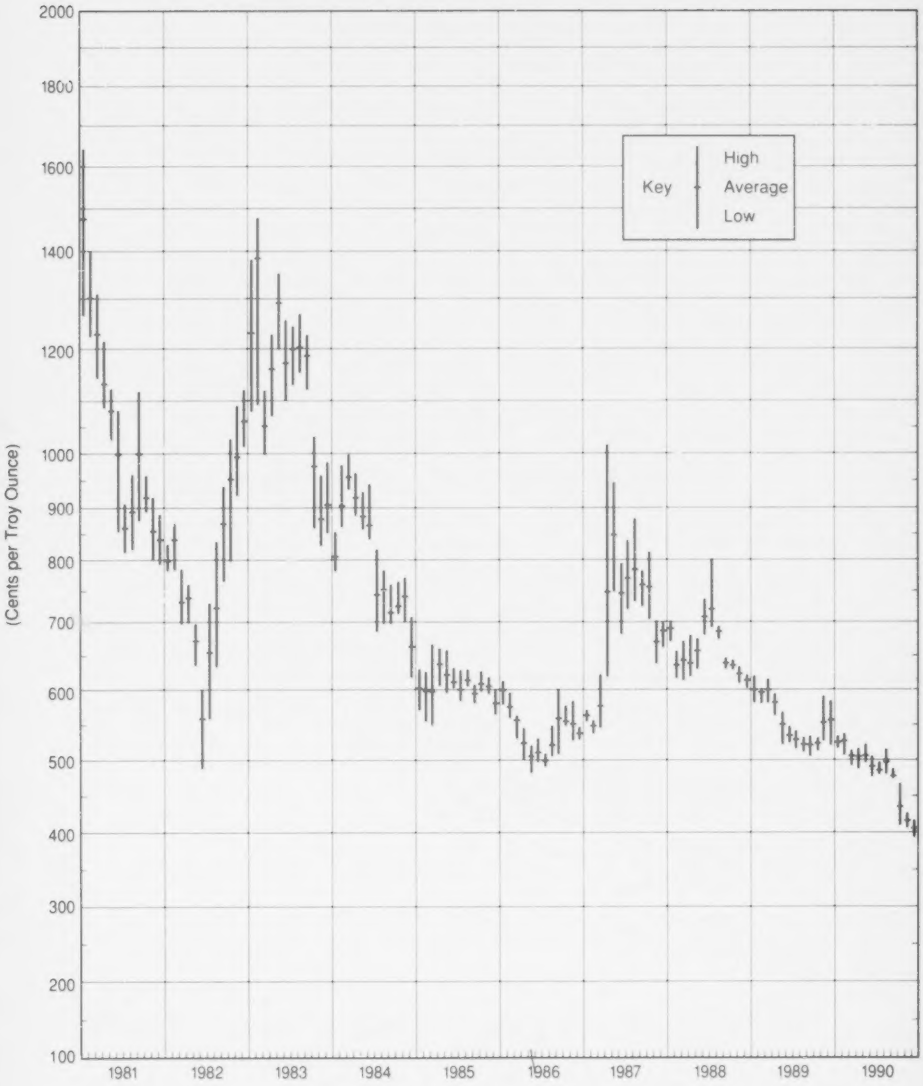
New York Market: The Commodity Exchange (COMEX) in New York is the largest market for trading silver in the United States. COMEX is a futures market and trades mainly contracts for delivery of silver for future months and other future periods. The most quoted price for prompt physical delivery of silver (spot price) in New York is the price published by Handy & Harman. The Handy & Harman price closely reflects the prices on COMEX for silver futures, because silver users and suppliers trade and hedge on the COMEX. Unless otherwise specified, all references to the New York prices are to the Handy & Harman published price.

Price Definition: The New York Silver Price as published daily by Handy & Harman is defined as follows:

> "The daily silver quotation reported by Handy & Harman, in cents and tenths of a cent per troy ounce, is the lowest price at which offers can be obtained by Handy & Harman for silver in commercial bar form, in accordance with ASTM Designation: B413-69 Specification for Refined Silver, Grade 99.90 for nearby delivery at New York, in quantities sufficient to meet requirements."

Although the New York Silver price as published by Handy & Harman is usually very close to the COMEX price, there is a distinction between the two. COMEX accepts as good delivery

New York Silver Prices Monthly Ranges



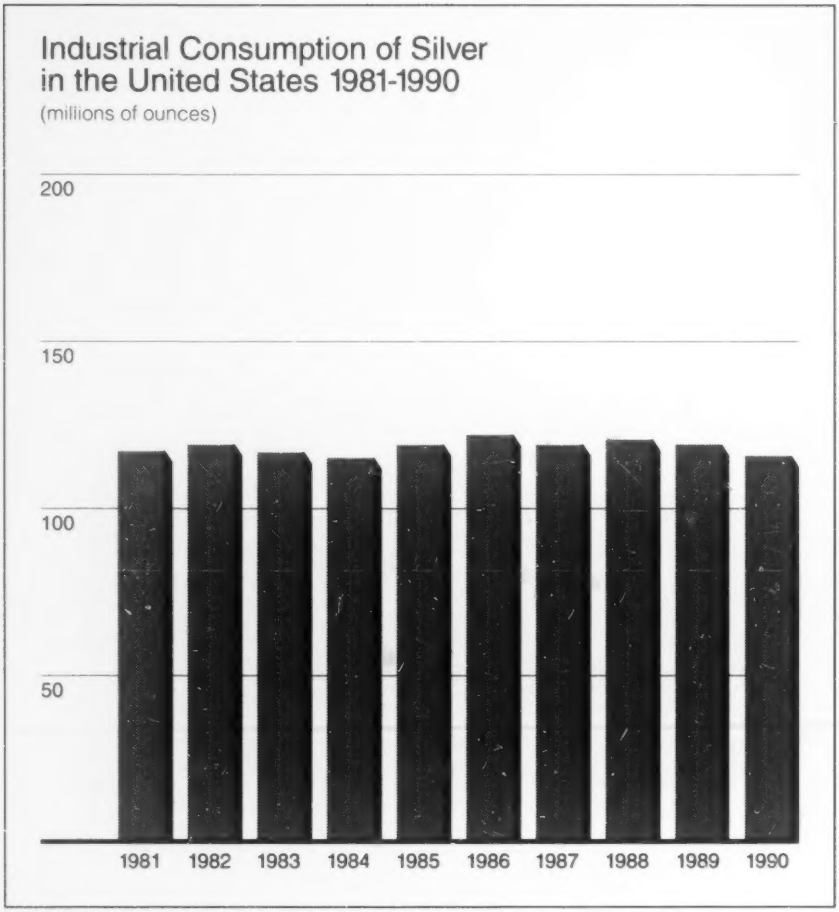
against contracts on the Exchange silver which is 99.9% pure without reference to impurities, whereas Handy & Harman requires conformity to ASTM specification that sets maximum limits on impurities. These limits are very important to commercial users.

Silver Futures: Silver futures trading decreased 10.6% during 1990. Total trading was 3,913,609 contracts down from 4,376,611 contracts in 1989. Each contract is for 5,000 ounces. This is equivalent to 19.6 billion ounces of silver as compared to 21.9 billion ounces of silver in 1989. Open interest at year-end stood at 84,343. This was a decrease of 11.1% from 94,843 at the beginning of the year.

COMEX stock at licensed vaults rose 26.5 million ounces in 1990 to 265,339,267 ounces. This continued the rising stock trend at COMEX. In 1989 COMEX stock rose 64.4 million ounces to 238,772,543 ounces. This represents an 11.1% increase in 1990 on top of the 37% increase over 1988 levels of 174,358,000 ounces.

Stock in approved Chicago Board of Trade vaults rose by 937,000 ounces to 12,313,000 ounces during 1990 from 11,376,000 at the end of 1989. This represents an increase of 8.2%.

Industrial Consumption: The United States Bureau of Mines no longer compiles statistics on U.S. consumption by end use categories. The Bureau has decided to measure "apparent demand" that is defined as "refinery production from primary materials plus refinery production from old scrap plus net imports of bullion." This measure includes investment demand as well as silver required by the domestic fabricating industry. Apparent demand, as reported by the U.S. Bureau of Mines, is estimated to be 130,000,000 ounces in 1990 as compared to 163,400,000 ounces in 1989. The principal portion of the change in apparent



demand is reflected in private stock holdings as opposed to industrial usage.

Industrial consumption is estimated to have declined during 1990 by 3.6 million ounces, approximately 3%, to 115.2 million ounces from 118.8 million ounces in 1989. The table above reflects our estimates of United States Industrial Consumption of silver by end use.

Production: United States' production of silver from mines is estimated to have increased to 65.8 million ounces in 1990 from a revised figure of 64.5 million ounces in 1989. That is a 2% increase over 1989. Secondary production of silver from refining old scrap decreased to 28 million ounces in 1990 from a revised figure of 32.4 million ounces in 1989.

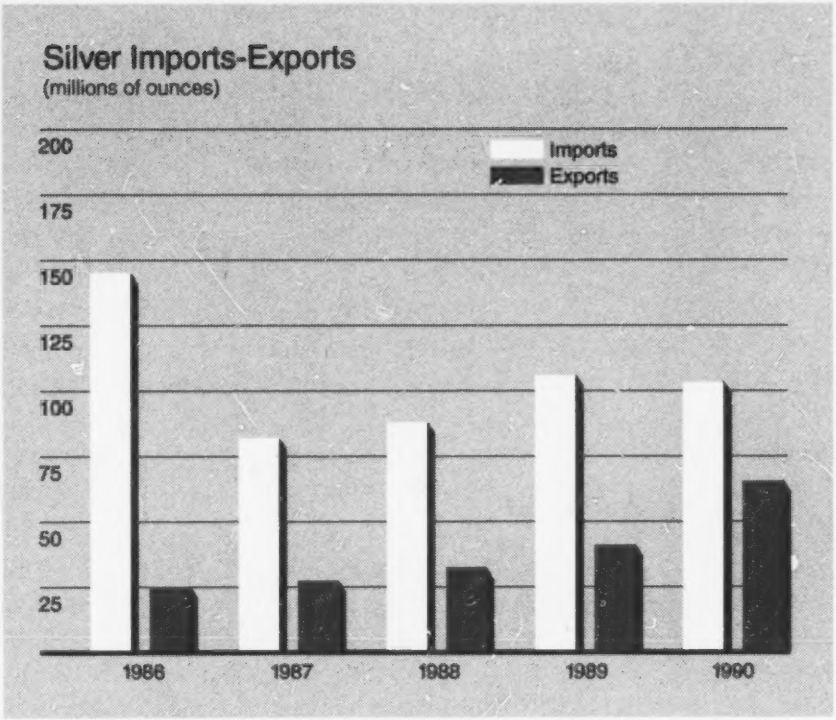
Imports and Exports: U.S import of silver decreased 2.6% during 1990 to 103.1 million ounces. Import of silver in 1989 was 105.9 million ounces. Mexico and Canada provided the majority of the silver. Mexico contributed 43.7 million ounces in 1990. This was a decline of 23.3% from the 57.0 million ounces in the prior year. Import from Canada was 36.9 million ounces. This was a decrease of 4.2% from 1989's 38.5 million ounces.

Export of silver increased 58.5% in 1990 to 65.3 million ounces from 41.2 million ounces in 1989. Exports to Japan increased 106% to 24.1 million ounces from 11.7 million ounces in 1989. Canada also increased its import of U.S. silver to 19 million ounces in 1990. This is an increase of 167.6%. In 1989, Canada only took 7.1 million ounces of silver from the U.S.

Legislative Developments: As in past years, the U.S. government sold approximately 2.5 million ounces through auctions during 1990. These auctions are mandated by legislation. The U.S. government's strategic defense stockpile of silver declined to 93,650,000 ounces at the end of 1990 from 99.7 million ounces at the end of 1989. Another 37.2 million ounces are authorized to be sold from the stockpile. Of this amount, 2.5 million ounces are expected to be sold in fiscal year 1991. In addition, the U.S. Mint continues to use the strategic defense silver stockpile for coinage.

United Kingdom

Industrial consumption in the U.K. increased 3.1% in 1990 to 23.2



million ounces from 1989's 22.5 million ounces. Secondary refining from old scrap increased 10% in 1990 to 11.7 million ounces from 10.6 million ounces in the prior year. No coins were melted down for industrial use in 1990 as in the prior year.

The United Kingdom imported 24.9 million ounces of silver in 1990. This is an increase of 7.8% from the prior year. Exports also increased slightly to 27.7 million ounces, up from 26.1 million ounces in 1989.

West Germany

Total consumption, both industrial and investment, in West Germany increased 11.4% in 1990, from 45.8 million ounces in 1989 to 51 million ounces in 1990. Domestic mine production in

West Germany, again, was very limited at approximately .3 million ounces. Total production is estimated to be 14.9 million ounces, a slight increase from 14.8 million ounces in 1989. Again, of this total 98.3% or 14.6 million ounces were from imported ores. Secondary production from refining old scrap totalled 21.1 million ounces, representing a decline of 6.4% from the prior year level of 22.5 million ounces.

Refined silver and silver products that were imported into West Germany totalled 53.8 million ounces in 1990, or 1.5% more than the 53.0 million ounces in 1989. Of this amount Great Britain contributed 20.6 million ounces and Belgium contributed 7.5 million ounces. Other major contributors were Poland at 5.4 million ounces, Switzerland at 4.6 million ounces and Sweden at 3.6 million ounces.

Exports totalled 32 million ounces, down 3 million or 8.6% from 35 million ounces in 1989. The major market for these exports continues to be the Arab Emirates with 6.1 million ounces in 1990. Exports to the Arab Emirates were down almost 25% from 8.1 million ounces in 1989. Other major importers of German silver were Spain at 4.2 million ounces and Singapore at 3.7 million ounces.

The following table shows the estimate for consumption in Germany in 1990 and 1989:

	1990	1989
Production	14.9	14.8
Recovery from old scrap	21.1	22.5
Imports	53.8	53.0
Total Supply	89.8	90.3
Exports	32.0	35.0
Change in domestic stock	4.9	—
Available for consumption	52.9	55.3
Silver coinage	1.9	9.5
Total industrial consumption	51.0	45.8

France

Production of silver from refining operations was 8.8 million ounces in 1990 versus 8.7 million ounces in 1989. This is approximately 1% higher than in 1989. Secondary recovery of silver stayed level at 3.2 million ounces during 1990. Total imports were 30.5 million ounces as compared to a revised figure of 25.4 million ounces in 1989. This represents an increase of 20% over the 1989 level. The key countries involved in these imports were Spain with 6.3 million ounces, Great Britain at 5.9 million ounces, Belgium with 5.1 million ounces and Morocco with 4 million ounces.

Consumption in France in 1990 was 2% ahead of 1989 levels at 28.6 million ounces against 28 million ounces in 1989. Coinage used was 1.9 million ounces in 1990, down from 4.0 million ounces in the prior year. Exports surged 35.9% to 26 million ounces from the revised 19.1 million ounces in 1989. Exports to Spain increased almost three-fold from a revised 5.5 million ounces in 1989 to 14.5 million ounces in 1990, while exports to Switzerland dropped precipitously from 6.4 million ounces to 1.0 million ounces in 1990.

Canada

Consumption of silver declined to 9.7 million ounces in 1990 from 10.9 million in 1989. Silver used in coin production declined 30% to 2.3 million ounces from 3.3 million ounces in 1989. Mine production was 44.9 million ounces up from 42.2 million ounces in 1989.

Canada continues to trade large volumes of silver with the United States. In 1990, it is estimated that Canada exported 36.9 million ounces of silver to the U.S. as compared to 38.5 million ounces in 1989. This is a decline of 1.6 million ounces or a

decrease of 4.2%. Canada increased its import of silver from the U.S. by 11.9 million ounces to 19 million ounces in 1990. This is more than double its imports of 7.1 million ounces in 1989.

Mexico

Mine production in Mexico declined approximately 3.2% to 63.2 million ounces during 1990 from a revised 65.3 million ounces in 1989. Mexican consumption of silver decreased to 10.6 million ounces from 15.0 million in 1989. In percentage terms, that represents a decline of 29.3%. Exports from Mexico also declined, approximately 19.7%, from 61.4 million ounces in 1989 to 49.3 million ounces. As in prior years most of Mexico's production of silver is exported to the United States (27.2 million ounces), Japan (12.7 million ounces) and Great Britain (7.5 million ounces). Since Mexico is a major silver producer, it does not import silver. During 1990, the Bank of Mexico's stock of silver declined to 14.6 million ounces from 22.3 million ounces. Silver coinage in Mexico was 1.5 million ounces in 1990, the same as in 1989.

Japan

Silver consumption for 1990 is estimated to have decreased 8.1% to 94.7 million ounces from a revised 102.4 million ounces in 1989. The decline reflects the slow down in the domestic and international economies.

The consumption pattern has stayed very consistent over the years with the majority of the silver used in the photographic industry. The other uses are nitrates, electrical contacts, solder and brazing alloys, electroplating, silverware, tubes, sheets, bars

and wires. The chart below shows the specific quantities of silver used for each category:

	(millions of ounces)				
	1990	1989	1988	1987	1986
Photography	49.6	54.8	56.7	51.4	47.1
Nitrates	8.3	8.9	9.6	8.3	7.6
Contacts	9.7	9.5	8.4	7.0	6.8
Solder & Brazing	4.1	4.5	4.3	3.7	3.2
Plating	3.6	3.8	3.6	4.9	4.0
Tube, Sheet, Bar & Wire	6.9	6.9	5.9	5.3	4.0
Silverware	3.5	3.5	3.0	2.2	1.7
Other	9.0	10.5	12.4	9.4	15.1
Total	94.7	102.4	103.9	92.2	89.5

Mine production is estimated to continue to decrease in 1990 to 5.5 million ounces from 6.5 million ounces in 1989, due to closings of exhausted non-ferrous mines. There are no "silver" mines in Japan.

Importation of silver bullion and products declined 1.1% during 1990 to 27.1 million ounces from 27.4 million ounces in 1989. Imports from Mexico declined 35.2% during 1990 to 12.7 million from the record levels of 19.6 million ounces in 1989.

Aside from the refined silver imports, Japan also imports a large quantity of mineral ores to be refined into fine silver bullion. Japanese production of silver from its refineries is estimated to have increased 3.1% in 1990 to 65.8 million ounces from 63.8 million ounces of silver in 1989.

Japan exported negligible amounts of silver during 1989 and 1990. In 1988, it exported .4 million ounces of silver for the whole year.

India

Continued prosperity in the agricultural sector is leading to even greater demand for silver in India. Investment demand is estimated to be 16.1 million ounces in 1990 versus 9.6 million ounces in 1989. Industrial consumption of silver including jewelry and silverware rose to 32.1 million ounces from 25.7 million ounces in 1989. Domestic mine production is estimated to be 1.1 million ounces. Secondary refining in India is estimated to be the same as in the prior year, at 7 million ounces per annum. Importation of silver continues to be prohibited. However, smuggling continues to supply almost all of the silver required in India, i.e., 38.6 million ounces per annum. This illegal movement of silver appears to have more than doubled from the 17.7 million ounce level in 1989. Apparently, profitability in this activity continues to be quite high.

Eastern European Countries

With the movement toward freer markets, Eastern European countries are experiencing more disorder and inefficiencies as old systems and bureaucracies are broken down and new structures and hierarchies are established. Production is more likely to decline than increase. Statistical information is difficult to obtain and is not reliable. This is likely to continue for several more years as new systems are sorted out.

As these countries try to restructure and develop, silver will be mined and sold for hard currencies to purchase machinery and equipment as well as consumer goods. This need for hard currency for consumer and industrial goods may lead to additional supplies of silver coming to the marketplace. As these nations become more industrialized, the need for silver will increase. Until then, these countries are likely to be net suppliers rather than consumers of silver to world markets.

Poland is one such country that produces and sells almost all of its silver to the marketplace. In 1989, Polish production of silver was 32.2 million ounces. It is estimated that a similar amount was produced in 1990. Some of Poland's output is believed to be exported to the Soviet Union.

The Soviet Union is a net importer of silver. Although it is a major mineral producer, it does not produce enough silver to meet its own requirements. It is believed that the U.S.S.R. imports approximately 10 million ounces annually to supplement its domestic production of 53 million ounces. Although the Soviet Union has not developed a consumer photographic market such as in the U.S. and Japan, it does use a substantial amount of silver. Due to lack of advancement in this area, their silver content per unit of film is high compared to the Western countries and Japan.

Other countries in the region that are minor producers of silver are:

Yugosiavia	4.9
Czechoslovakia	1.9
Bulgaria	.9

Silver Price History

As can be surmised from the record low prices of silver in the free market, silver appears to be less attractive as a medium for storing wealth in the developed countries of the world. While less developed countries with undeveloped financial markets and unstable governments may continue to rely on silver as a store of wealth, it does not appear that silver will regain its status as a monetary metal. The following table lists average annual silver prices in terms of constant dollars:

SILVER PRICES VS. INFLATION
(1982 = 100)

	GNP Deflator	Average Silver Price	Deflated Price	Inflation Rate
1967	35.9	1.550	4.317	2.6%
1968	37.7	2.145	5.689	5.0%
1969	39.8	1.791	4.499	5.6%
1970	42.0	1.771	4.216	5.5%
1971	44.4	1.546	3.481	5.7%
1972	46.5	1.685	3.623	4.7%
1973	49.5	2.558	5.167	6.5%
1974	54.0	4.708	8.718	9.1%
1975	59.3	4.419	7.451	9.8%
1976	63.1	4.353	6.899	6.4%
1977	67.3	4.623	6.869	6.7%
1978	72.2	5.401	7.480	7.3%
1979	78.6	11.094	14.114	8.9%
1980	85.7	20.632	24.074	9.0%
1981	94.0	10.518	11.190	9.7%
1982	100.0	7.947	7.947	6.4%
1983	103.9	11.441	11.012	3.9%
1984	107.7	8.141	7.559	3.7%
1985	110.9	6.142	5.538	3.0%
1986	113.8	5.470	4.807	2.6%
1987	117.4	7.009	5.970	3.2%
1988	121.3	6.535	5.387	3.3%
1989	126.3	5.499	4.354	4.1%
1990	131.3	4.821	3.670	4.0%
YEAR-END 1990	131.3	4.175	3.180	4.0%

In the above table average silver prices were adjusted for inflation by using GNP deflators, 1982 = 100. In real terms, silver has not reached such low levels since 1971 when silver recorded a low of $1.288 (equivalent to $2.90 in 1982 dollars and $3.81 in current dollars).

Since silver is a world commodity, its price must be viewed not just in U.S. dollar terms but in terms of the Japanese, German

and British currencies. To get an idea of this, we converted the silver prices above to local currency and then adjusted the local currencies for local inflation. For convenience, we used 1975 as the base year. We were surprised to see that, while silver prices in real Japanese yen terms have declined to 72.3% of the 1975 level, silver prices in real German mark terms, i.e., adjusted for German inflation, is approximately the same as that in 1975. Even more surprising is that, in Great Britain, silver prices are actually four times what they were in 1975, again in real terms, i.e, adjusted for local inflation.

The following table summarizes the results of the above exercise, which uses each year's average silver prices. If we look at the December 31, 1990 price of $4.1750, silver would be even cheaper in real terms.

INFLATION ADJUSTED SILVER PRICE
(1975 = 100)

	yen	marks	pounds	dollar
1975	100.0	100.0	100.0	100.0
1976	105.5	104.5	139.6	92.6
1977	107.4	106.1	174.7	92.2
1978	102.5	111.9	206.6	100.4
1979	225.8	218.1	439.1	189.4
1980	451.0	421.2	891.1	323.1
1981	231.0	278.1	581.1	150.2
1982	200.8	235.3	547.1	106.7
1983	277.9	368.1	956.4	147.8
1984	200.0	297.7	807.3	101.4
1985	153.7	237.3	662.6	74.3
1986	98.3	160.8	539.9	64.5
1987	107.9	174.1	648.9	80.1
1988	87.7	154.6	655.0	72.3
1989	85.5	140.0	525.1	58.4
1990	72.3	106.2	452.4	49.3
YEAR-END	62.6	92.0	391.9	42.7

SILVER PRICE IN MAJOR CURRENCIES

	yen	marks	pounds	dollar
1975	1311	10.9	1.989	4.419
1976	1291	11.0	2.412	4.353
1977	1242	10.7	2.649	4.623
1978	1136	10.9	2.815	5.401
1979	2430	20.3	5.227	11.094
1980	4676	37.5	8.876	20.632
1981	2321	23.8	5.196	10.518
1982	1979	19.3	4.546	7.947
1983	2718	29.2	7.548	11.441
1984	1933	23.2	6.091	8.141
1985	1465	18.1	4.734	6.142
1986	921	11.9	3.727	5.470
1987	1013	12.6	4.274	7.009
1988	819	11.0	4.047	6.535
1989	787	9.8	3.041	5.499
1990	653	7.2	2.493	4.820
YEAR-END	565	6.2	2.159	4.175

OUTLOOK FOR SILVER

It appears from this past year's record low prices, in real as well as nominal terms, that investors did not exert the influence on the price of silver they had in previous years. Meanwhile, mine production of silver continues to be abundant and appears to be unaffected by price. This reflects the fact that the majority of silver produced is a by-product of gold, copper, lead and zinc mining. As long as it is profitable to produce gold, copper, lead and zinc, silver will continue to be produced despite the low prices. In other words, low silver prices do not cause supply to decrease.

Although silver is in demand for investment purposes in lesser developed countries, such as India, the total demand is not substantial enough to have a great impact on the price of silver. Furthermore, lesser developed countries usually erect barriers to decrease imports of silver and thereby preserve hard currency reserves.

As mentioned in prior years, silver continues to be abundant with plentiful mine production and stock on hand in various exchanges, government agencies and private vaults. As prices declined during the past decade, investment demand declined with it. The decrease in investment demand appears to have led to further price declines. However, at some point, when prices are considered to be at rock bottom, investment demand may then return. When will investment demand reverse itself? The silver market surely defies prediction and there is no way of anticipating how the market is going to react to any particular situation. Hopefully, 1991 will see improvement in industrial demand which could be readily accommodated by available supply.

STATISTICAL TABLES

World Silver Production

(millions of ounces)

	1990	1989	1988	1987	1986
Mine Production:					
United States	65.8	64.5	53.4	39.9	34.5
Canada	44.9	42.2	44.1	44.2	35.0
Mexico	63.2	65.3	75.9	77.6	75.2
Australia	40.7	34.6	35.8	36.0	32.9
France	0.8	0.8	0.8	0.8	0.8
West Germany	0.3	1.0	1.6	1.7	0.9
Italy	3.0	3.1	2.9	2.6	1.8
Japan	5.0	6.5	8.1	9.0	11.3
India	1.1	1.4	1.3	1.2	1.0
Peru	59.2	59.2	49.9	66.1	61.9
U.S.S.R.	53.0	53.0	50.8	49.8	51.4
Other Eastern European Countries	56.1	56.9	52.7	44.3	43.5
All Others	83.0	85.0	80.0	77.0	80.0
Total Mine Production	476.1	473.5	457.3	450.3	430.3
Recovery from Secondary Sources:					
United States	28.0	32.4	27.4	26.0	24.5
Canada	4.6	4.5	4.5	4.0	4.0
Mexico	1.0	1.0	1.0	0.8	0.7
United Kingdom	11.7	10.6	10.0	10.0	10.0
France	3.2	3.2	4.5	3.0	3.0
West Germany	21.1	22.0	18.0	20.0	18.0
Italy	5.0	5.0	5.0	4.5	4.5
Japan	7.3	7.0	5.2	17.6	3.6
India	6.4	6.6	14.5	14.5	17.7
U.S.S.R. & Eastern Europe	9.8	10.0	9.5	9.4	9.2
Other Countries	5.0	5.1	5.0	5.0	5.0
Total Recovery	103.1	107.4	104.6	114.8	100.2
Total Worldwide Production	579.2	580.8	561.9	565.1	530.5

World Stock of Silver Bullion

(millions of ounces)

	1990	1989	1988	1987	1986
PRIVATE STOCK:					
New York Commodity Exchange	265.3	238.8	174.4	156.3	145.4
Chicago Board of Trade	12.3	11.8	13.1	13.5	16.7
London Metal Exchange	0.0	0.0	15.0	19.9	23.1
U.S. Industry Stock	16.1	17.5	15.2	15.0	17.6
Japan Industry Stock	46.7	37.3	27.1	25.0	24.5
Unreported Industry Stock - Other Countries	45.0	47.0	42.0	40.0	37.5
Unreported Investment Stock	894.0	908.8	937.8	952.4	916.1
Total	1279.4	1261.2	1224.6	1222.1	1180.9
U.S. GOVERNMENT STOCK:					
Strategic Stockpile	93.7	99.7	106.4	113.3	127.3
Treasury (Mint)	27.1	32.1	38.6	39.5	33.8
Total	120.8	131.8	145.0	152.8	161.1
FOREIGN GOVERNMENT STOCKS:					
Mexico	14.6	22.3	42.4	37.7	32.1
India	75.0	67.5	67.5	67.5	67.5
Unreported - Other Countries	60.0	58.0	58.1	57.4	57.4
Total	149.6	147.8	168.0	162.6	157.0
Worldwide Surface Silver Stock	1549.7	1540.7	1537.7	1537.5	1499.0

World Silver Consumption

(millions of ounces)

	1990	1989	1988	1987	1986
Industrial Uses:					
United States	115.2	118.8	120.0	118.5	121.7
Canada	9.7	10.9	10.8	10.4	9.6
Mexico	10.6	15.0	10.2	3.9	4.9
United Kingdom	23.2	22.5	22.3	21.5	20.5
France	28.6	28.0	22.5	19.6	16.4
West Germany	51.0	45.8	47.2	40.5	36.9
Italy	16.4	16.1	18.0	24.4	14.5
Japan	103.1	102.1	103.9	92.2	89.5
India	32.2	25.7	22.5	18.5	22.5
U.S.S.R. & Eastern Europe	92.1	94.9	96.6	87.0	100.4
Other Countries	62.7	63.2	62.0	60.0	58.2
Total Industrial Uses	544.7	543.0	536.0	496.5	495.1
Coinage:					
United States	7.6	9.4	8.8	15.1	7.5
Canada	3.0	5.5	2.0	1.2	2.0
Mexico	1.5	2.0	1.5	2.3	2.0
France	1.9	4.0	2.2	2.3	2.4
West Germany	1.9	7.6	5.2	5.2	0.0
Other Countries	9.6	6.2	6.0	3.9	3.0
Total Coinage	25.5	34.8	25.7	30.0	16.9
Total Silver Consumption	570.2	577.8	561.7	526.5	512.0

United States Industrial Consumption of Silver by End Use

(millions of ounces)

	1990	1989	1988	1987	1986
Photographic materials	60.0	59.3	60.0	58.0	58.3
Electrical and electronic products	28.0	30.0	30.0	30.5	31.1
Sterling ware, electroplated ware and jewelry	11.5	11.0	12.0	13.0	12.2
Brazing alloys and solders	6.0	6.5	6.0	7.0	6.4
Other	10.0	12.0	12.0	10.0	13.7
Total Industrial Consumption	115.5	118.8	120.0	118.5	121.7

Changes in World Silver Stock

(millions of ounces)

	1990	1989	1988	1987	1986
World Silver Production	579.2	580.8	561.9	565.1	530.5
World Silver Consumption	570.2	577.8	561.7	526.5	512.0
Increase/(Decrease) in Worldwide Stock	9.0	3.1	0.2	38.5	18.5
Increase/(Decrease) in U.S. Government Stock	−11.0	−13.2	−7.8	−8.3	−9.0
Increase/(Decrease) in Industry Stock	6.0	17.4	4.3	0.4	−4.6
Increase/(Decrease) in Foreign Gov't Stock	1.8	−20.2	5.4	5.6	2.0
Increase/(Decrease) in Unreported Investment Stock	−14.8	−29.0	−14.6	36.3	68.1
Increase/(Decrease) in Exchanges Stock	27.0	48.1	12.8	4.5	−38.0
Increase/(Decrease) in Worldwide Stock	9.0	3.1	0.2	38.5	18.5

Exports of Silver from the United States

(millions of ounces)

	1990	1989	1988	1987	1986
Exported to:					
Canada	19.0	7.1	2.8	3.3	2.6
United Kingdom	7.6	7.7	8.6	7.7	5.6
Japan	24.1	11.7	7.7	5.6	4.6
West Germany	2.7	1.4	0.9	0.8	0.6
All Other Countries	11.9	13.2	12.1	9.7	11.7
Total Exports	65.3	41.2	32.1	27.1	25.1

Import of Silver into the United States

(millions of ounces)

	1990	1989	1988	1987	1986
Imported from:					
Canada	36.9	38.5	35.4	20.6	46.9
Mexico	43.7	57.0	39.6	42.5	48.0
Peru	7.7	2.8	1.9	7.2	10.1
Other Western Hemisphere Countries	5.8	4.4	6.3	6.5	9.2
Total Western Hemisphere	94.1	102.7	83.1	76.8	114.2
United Kingdom	3.1	0.7	3.1	0.1	11.8
All Other Countries	5.9	2.5	2.4	4.9	18.9
Total Imports	103.1	105.9	88.6	81.8	144.9

Silver Quotations

	NEW YORK (Handy & Harman) cents			LONDON (Daily Fixing) pence		
	High	Low	Average	High	Low	Average
1990...	539.000	393.000	482.011	323.500	204.150	273.087
1989...	617.000	501.500	549.917	376.150	309.200	335.538
1988...	799.000	601.000	653.460	457.750	328.400	367.295
1987...	1020.000	536.000	700.881	653.600	344.400	428.283
1986...	619.500	487.000	546.995	452.100	317.700	373.030
1985...	673.500	557.000	614.218	576.900	401.100	477.560
1984...	1003.500	626.000	814.066	679.700	529.100	607.056
1983...	1474.500	834.000	1144.128	948.650	560.250	753.437
1982...	1121.000	488.500	794.728	685.150	285.100	455.258
1981...	1645.000	795.000	1051.837	671.200	412.800	515.234
1980...	4800.000	1080.000	2063.157	2165.050	467.800	900.662